

"DEMONSTRATION PROJECTS

42 USC § 1320a-9. "SEC. 1130. (a) IN GENERAL.—The Secretary may authorize

not more than 10 States to conduct demonstration projects pursuant to this section which the Secretary finds are likely to promote the objectives of part B or E of title IV.

*(b) WAIVER AUTHORITY.—The Secretary may waive compliance with any requirement of part B or E of title IV which (if applied) would prevent a State from carrying out a demonstration project under this section or prevent the State from effectively achieving the purpose of such a project, except that the Secretary may not waive—

"(1) any provision of section 427 (as in effect before April 1, 1996), section 422(b)(9) (as in effect after such date), or section 479; or

"(2) any provision of such part E, to the extent that the waiver would impair the entitlement of any qualified child or family to benefits under a State plan approved under such part E.

*(c) TREATMENT AS PROGRAM EXPENDITURES.—For purposes of parts B and E of title IV, the Secretary shall consider the expenditures of any State to conduct a demonstration project under this section to be expenditures under subpart 1 or 2 of such part B, or under such part E, as the State may elect.

*(d) DURATION OF DEMONSTRATION.—A demonstration project under this section may be conducted for not more than 5 years.

*(e) APPLICATION.—Any State seeking to conduct a demonstration project under this section shall submit to the Secretary an application in such form as the Secretary may require, which includes—

"(1) a description of the proposed project, the geographic area in which the proposed project would be conducted, the children or families who would be served by the proposed project, and the services which would be provided by the proposed project (which shall provide, where appropriate, for random assignment of children and families to groups served under the project and to control groups);

"(2) a statement of the period during which the project would be conducted;

"(3) a discussion of the benefits that are

expected from
the proposed project (compared to a continuation
of activities
under the approved plan or plans of the State):

"(4) an estimate of the costs or savings of the
proposed
project;

"(5) a statement of program requirements for which waivers
would be needed to permit the proposed project to be conducted;

"(6) a description of the proposed evaluation design; and

"(7) such additional information as the Secretary may
require.

"(f) EVALUATIONS: REPORT.—Each State authorized
to conduct
a demonstration project under this section shall—

"(1) obtain an evaluation by an independent
contractor
of the effectiveness of the project, using an
evaluation design
approved by the Secretary which provides for—

"(A) comparison of methods of service delivery under
the project, and such methods under a State plan or plans,